

FILED

Date _____

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Clerk _____

Comm. Amdt. _____

Amendment No. 1 to HB3111

Fowlkes
Signature of Sponsor

AMEND Senate Bill No. 2665***House Bill No. 3111**

by adding the following to Section 5 of the printed bill as a new subsection (c):

(c)

(1) Notwithstanding any other provision of this act to the contrary, and except as otherwise provided in the governing instrument, the duties of a trustee regarding the acquisition, retention or ownership of a contract of insurance on the life of the grantor of the trust, or on the lives of the grantor and the grantor's spouse, children, grandchildren, or parents, do not include a duty to:

(A) determine whether any contract of life insurance in the trust, or to be acquired by the trust, is or remains a proper investment;

(i) as to the type of insurance contract;

(ii) as to the quality of the insurance company

(iii) or otherwise.

(B) diversify the investment; or

(C) exercise any policy options, rights, or privileges available under any contract of life insurance in the trust, including any right to borrow the cash value or reserve of the policy, acquire a paid-up policy, or convert to a different policy.

(2) The trustee is not liable to the beneficiaries of the contract of insurance or to any other party for loss arising from the absence of these duties regarding insurance contracts under this subsection.